

# **President Reagan**

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## William J. Casey: Central Intelligence Director

President Reagan got off on the right foot with the American intelligence community by naming a 67-year-old lawyer and self-made millionaire, William J. Casey, as director of central intelligence.

Indeed, many prominent former intelligence officials were elated by the choice of Casey. They said they hoped he would be just the right tonic to fortify the anemic morale at the Central Intelligence Agency and in the U.S. intelligence community at large.

The non-controversial nomination was approved by the Senate Jan. 27 by a 95-0 vote.

William E. Colby, a former CIA director who was practicing law in Washington, said Reagan's choice was "a very good one" because Casey "has a unique background and one very appropriate for the job."

That background included:

- World War II service in the Office of Strategic Services (OSS), the CIA's wartime predecessor, working to infiltrate U.S. agents into occupied Europe.

- Successful careers as a tax lawyer, teacher, writer and businessman that had earned him a fortune.

- Long and close associations with establishment Republicans that led to his appointment to various posts in the Nixon administration in the early 1970s: chairman of the Securities and Exchange Commission, under secretary of state for economic affairs and president of the Export-Import Bank.

- A continuing, and highly visible, interest in intelligence matters, as demonstrated by his participation in groups such as the Veterans of the OSS and the Association of Former Intelligence Officers, plus service on President Ford's Foreign Intelligence Advisory Board in the mid-1970s.

- A brief but successful stint as Reagan's presidential campaign manager that earned him Reagan's respect and his ear, and got Casey the job he had coveted for years.

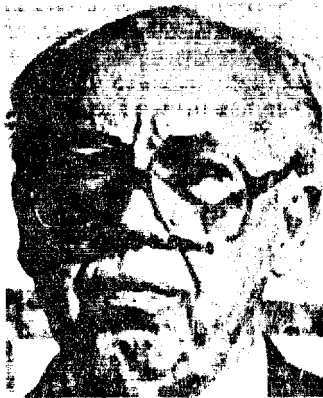
Such experience, concluded John Bross, a former OSS and CIA officer who knew him, made Casey an "ideal choice for this job."

### Mixed Reception

Although he was generally admired among his intelligence community contemporaries, one active CIA officer said Casey was a stranger to younger intelligence personnel.

"I can tell you honestly, the reception's going to be mixed [at the CIA]," this officer said. "Nobody knows anything about him. It's really a 'wait and see' attitude."

And Casey also had his doubters, including some who wondered whether a man who had done no intelligence work since World War II could run a modern spy agency.



Another question was whether Casey, whose rumpled, relaxed manner and wispy white hair made him look every bit his 67 years, had the energy to oversee the CIA and some 10 other intelligence community components.

Lawrence Houston, an OSS veteran and former CIA general counsel, was one skeptic. "People that worked with him seemed to think pretty highly of him," Houston said. "I've always frankly been a little puzzled by Bill. He knows all the right names to call. I've never been particularly impressed by him otherwise."

According to author Joseph Persico, Casey's appearance always was deceiving. In *Piercing the Reich*, a book about the OSS operation Casey worked in, Persico wrote:

"In Casey, the OSS had a man with an analytical mind, tenacious will and a capacity to generate high morale among his staff. He delegated authority easily to trusted subordinates and set a simple standard — results. He had no patience with the well-born effete who had flocked to the OSS, people he dubbed the 'white-shoe boys.'"

The criticism that Casey might be "out of touch" with modern intelligence operations was similar to the doubts that were expressed when he became Reagan's campaign manager in February 1980. Campaign insiders said Casey did not understand modern media campaigns, the heart of modern political contests.

Casey responded at the time: "I'm not supposed to know everything. I'm bringing into the campaign guys who have been there before, who know all these mysterious things I'm not supposed to know."

A lack of recent intelligence agency experience could prove a political virtue. Casey was not tainted by the CIA abuses of the 1960s — such as spying on Americans and attempting to overthrow or assassinate foreign leaders — that smudged the agency's image when they were exposed in the 1970s.

### OSS Service

Born on March 13, 1913, and raised in New York City, Casey earned a B.A. degree from Fordham University in 1934 and a law degree from St. John's University Law School in 1937. He began practicing law the following year when he was admitted to the New York State Bar.

He was commissioned a lieutenant in the Navy when the war began in 1941, but poor eyesight confined him to a desk job in Washington. Through friends in legal circles, Casey came to the attention of Maj. Gen. William J. "Wild Bill" Donovan, the Wall Street lawyer President Franklin D. Roosevelt tapped to form and run the OSS. This led Casey into the OSS. Casey left the OSS with a reputation as a forceful manager who could make tough decisions with speed and see that they were carried out.

Casey was in and out of government after his war service. In 1947-48 he was special counsel to the Senate Small Business Committee. Then he was appointed associate general counsel for the Marshall Plan.

He taught tax law at New York University between 1948 and 1962. In this period he wrote and published some 30 manuals for lawyers and executives, including: *Tax Planning on Excess Profits* and *Tax Sheltered Investments*. Later, he also wrote *How to Raise Money to Make Money* and *How Federal Tax Angles Multiply Real Estate Profits*.

Casey practiced law throughout his career, but also was active in GOP politics. He worked in Thomas E. Dewey's 1940 and 1948 presidential campaigns, and he ran a foreign policy group during Vice President Richard M. Nixon's 1960 presidential campaign.

In 1966 Casey ran unsuccessfully for the House of Representatives. He worked again in 1968 for Nixon, who put him on the Advisory Committee on Arms Control and Disarmament in 1969.

President Nixon named Casey to the Securities and Exchange Commission (SEC) on Feb. 2, 1971. After a sometimes stormy tenure as SEC chairman, Casey was named under secretary of state for economic affairs in 1973. However, when Henry A. Kissinger became secretary of state, Casey was named to head the Export-Import Bank.

### Controversies During Nixon Years

Casey's publishing ventures led to one dispute that caused him difficulty when he had been nominated by Nixon to the SEC. One suit involved a plagiarism charge against one of Casey's publishing ventures. Another charged that a firm in which Casey was a director and principal stockholder had sold unregistered stock, a violation of securities laws.

The suits were settled out of court, and Casey conducted before the Senate Banking Committee in 1971, during his confirmation hearings for the SEC post, that he was unaware of the actions of his subordinates. The committee ultimately confirmed Casey to the SEC.

While Casey was at the SEC, some congressional Democrats charged that he had attempted to conceal information about the relationship of the Nixon administration to the International Telephone and Telegraph Corp. (ITT).

A special House subcommittee was investigating reports that ITT had offered to trade a \$400,000 campaign contribution to Nixon for settlement of an antitrust suit, and Casey shipped 34 cartons of SEC documents to the Justice Department before the panel could subpoena them. Justice said it would refuse to turn over the documents because they were being used in a criminal investigation.

It was later disclosed that some of the documents contained information about conversations between ITT officials and Attorney General John N. Mitchell, Secretary of the Treasury John B. Connally, Vice President Spiro T. Agnew and White House domestic adviser John D. Ehrlichman.

In another case, Casey met in 1972 with a lawyer for Robert L. Vesco about a pending SEC investigation of the financier. The meeting was on the day Vesco secretly gave \$200,000 to the Nixon re-election campaign, but Casey maintained he learned of the donation only later from news accounts. There was conflicting testimony in each case, and Casey never was charged or penalized.

### Confirmation Hearings

Casey won a warm welcome at his confirmation hearings Jan. 13 from the Senate Intelligence Committee. Pledging to revive morale at the CIA, Casey said he would work to "minimize" restrictions placed on the CIA by Congress in the 1970s. However, he pledged "care and diligence in protecting the legal rights of American citizens."

Apparently satisfied with its background investigation of Casey, the committee paid scant attention to questions raised in the press about Casey's handling of the documents that had been sought by the House committee in 1971 and about his meeting with an aide to Vesco.

Casey expressed little interest in proposals to split the CIA into separate agencies for analysis and for covert operations. "This is not the time for another bureaucratic

shakeup of the CIA," he said. He promised instead that intelligence community analyses would be presented to the president and the National Security Council "without subjective bias and in a manner which reflects strongly held differences within the intelligence community."

## William E. Brock III: U.S. Trade Representative

Former Republican National Committee Chairman William E. Brock III was picked by President Reagan to be U.S. trade representative. The post had been given Cabinet rank by President Carter, and Reagan, despite some opposition within his administration, assured Brock the office would continue to have Cabinet status. The Senate routinely confirmed him Jan. 21 by a vote of 99-0.

Brock was elected GOP national chairman in January 1977 and was praised for a very ambitious and successful effort to rebuild the party following the Republicans' election

debacle in 1976. The grass-roots rebuilding effort was coordinated with the National Republican Congressional Committee. Brock also won high marks as the architect of the November 1980 Republican sweep at the polls.

Despite this success as national committee chairman, Brock continued to be anathema to many conservatives in the party because he had refused to use his position as national chairman to op-

pose ratification of the Panama Canal treaties in 1978 or to take positions on other issues of importance to them.

### Earlier Career

Born in Chattanooga, Tenn., Nov. 23, 1930, Brock graduated from Washington and Lee University in Lexington, Va., in 1953 and then spent three years in the Navy. He launched his political career in 1962, winning the Tennessee 3rd District House seat by barely 2,000 votes. He was the first Republican elected from that district in 42 years. After four terms in the House, Brock ran for the Senate in 1970 and won, beating Sen. Albert Gore, D (1953-71).

In the Senate, Brock compiled a conservative voting record, although he was not a strict partisan. He lost the seat to James R. Sasser, D, in 1976.

The broad brush of Watergate touched him in 1975 when questions emerged about a report that he had received an illegal contribution from the Gulf Oil Co. in his 1970 Senate campaign. He returned to Gulf a cash donation of \$3,000 that had been paid to a campaign aide and an additional \$2,000 that he claimed was a legal contribution.

After losing his re-election bid, Brock ran for the Republican National Committee chairmanship. He won as the compromise candidate over Richard Richards, who was to succeed him in the post in 1981, and James A. Baker III, who was the choice of President Ford.

